

ABSTRACT

The present invention provides an auction system that allows IPO sales to be offered in an open and transparent manner, wherein, a certain percentage (up to 100%) of shares in an IPO can be offered to qualified bidders at a "buy now" pre-auction price, set by an issuer and/or
5 underwriter. Investors can be allowed to "bid some shares out of the auction process" and thus guarantee those investors' allocation while also allowing bidders to participate in an open auction for other shares. Shares of stock to be offered in an IPO can include a subset of pre-auction price shares and a subset of auction price shares. The pre-auction price shares are offered to pre-auction bidders at a pre-auction price, and auction shares are generally sold to the
10 highest bidder. Pre-auction sales can serve as a catalyst for generating enthusiasm for an associated IPO auction.